

Resilient, Stable & Strong

Annual Report | 2023





2024 Annual Meeting

January 27, 2024

5:00PM

Business Meeting

Welcome

David A. Pendleton, Chairman of the Board

Presentation of 2023 Annual Meeting Minutes

Bradley Boyle, Board Secretary

Introduction of Candidates

Hilea Walker, Nominating Committee Chair

Report of the Supervisory Committee

Helga Wilde, Supervisory Committee Chair

Report of the President/CEO

Darin B. Moody, President/CEO

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Dear Credit Union Members



Utah First Letter from Chairman and President

Dear Credit Union Members:

As we stand eagerly at the threshold of a new year, we want to take a moment to reflect on the extraordinary journey we've shared in 2023 and the financial landscape that has defined the past twelve months. The economic terrain has been marked by uncertainties, but despite the twists and turns, Utah First has remained resilient, stable, and strong.

To combat ongoing inflation this year, the Federal Reserve raised interest rates to the highest level in over 20 years. Utah First saw rising rates send shockwaves through many people's personal finances, but amid such economic change, we stood by our members as a beacon of stability. We understood that you were looking to us as an anchor in turbulent financial waters, and we worked to minimize the impact of economic fluctuations on your finances.

Your stability has been a significant consideration in our daily efforts. This year, we proudly offered the lowest auto loan rate in the state during our July auto loan promotion. While other institutions withheld funding based on credit stereotypes, we doubled down our unconventional approach to lending, providing tailored auto loans to fit each member's needs and extending financial support to those with colorful credit. This initiative made essential vehicles more affordable so those who don't fit the traditional banking mold could navigate the roads of life without breaking the bank.

We also recognized the importance of stable, profitable investment opportunities and understood the need for varied financial products to meet the diverse needs of members. Apart from offering low-rate loans, we took pride in providing the highest rates of return on term deposits and money markets in 20 years, with a comprehensive suite of financial products.

We even extended our efforts to your credit card experience. Many of the major credit card companies hiked their interest rates to nearly 30%, but we stood firm in our commitment to stability and financial fairness. Our credit card interest rate remains less than half of what the major players are charging, which means you keep more money in your pocket with every transaction.

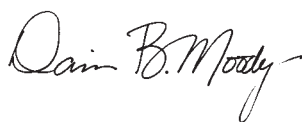
Our commitment to providing strength and stability extends beyond banking services to benefit the broader community. Initiatives such as Warm the Soles and Cash for College serve struggling families and students in need, and our recognition as a Salt Lake Tribune Top Workplace in 2023 is further proof of our being a source of stability for our employees.

As we turn the page to an exciting new chapter in 2024, we express our deepest gratitude for your trust, confidence, and loyal partnership. You've entrusted us with the important aspects of your financial life — from housing your savings to being your child's first banking experience — and we take that responsibility seriously. Looking to the future, our commitment to being significant in your life remains steadfast. We will persist in prioritizing you and your financial interests, fostering shared success, and reinforcing the foundation of strength and stability that binds us together as a community.

Sincerely,



David A. Pendleton
Chairman of the Board



Darin B. Moody
President and Chief Executive Officer

Supervisory Committee Report

Dear Credit Union Members:

The Supervisory Committee is appointed by the Board of Directors to independently examine and evaluate the adequacy and effectiveness of internal controls of Utah First Federal Credit Union. To accomplish this, the Committee interfaces directly with internal and external auditors and meets monthly to review and ensure that internal controls are in place and followed. The Committee also oversees ongoing credit union audits, which ensure that accounting records and reports accurately reflect the credit union's financial position and operations, thus protecting and safeguarding our members' assets.

To fulfill the committee's responsibility, an independent Certified Public Accounting Firm was engaged to perform the annual financial audit required by federal law, and to issue certified financial statements. The Committee is pleased to report that the 2023 annual audit conducted by Doeren Mayhew, a nationally recognized CPA firm that specializes in credit union audits, was completed successfully. Utah First Federal Credit Union was pronounced to be in compliance with generally accepted accounting principles, rules, regulations, and financial standards. The federal examiners also

performed their annual audit. Their report assures us that Utah First Federal Credit Union operates with safety and soundness and is in compliance with all government regulations.

We thank management, staff, and the Board of Directors for another successful year. We also thank all Credit Union members for your ongoing support and participation. The Committee is committed to keeping our credit union strong to serve you, and we will continue to work diligently in 2024 to ensure that Utah First Federal Credit Union remains a safe and sound institution, ready to meet your financial needs.

Sincerely,



Helga Wilde

Supervisory Committee Chair

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Directors, Committee, and Executive Team

Board of Directors

David A. Pendleton
Chairman of the Board

Hilea Walker
Vice Chair of the Board

Bradley Boyle
Board Secretary

David Hendricks
Board Treasurer

Ted Boyer
Director

Jennifer Sefakis
Director

Alex Leeman
Director

Supervisory Committee

Helga Wilde
Supervisory Committee Chair

Ted Cundick
Committee Member

Malis Rasmussen
Committee Member

Executive Team

Darin B. Moody
President/CEO

Paul Toller
Chief Credit Officer

Greg Wilde
Chief Technology Officer

Brandt Kuehne
Chief Financial Officer

Nicole Sherman
Chief Operating Officer

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Financial Reports



Financial & Statistical Report

Consolidated Statement of Financial Position

Assets	2023	2022
Cash & Investments	\$115,008,557	\$107,238,671
Loans to Members—Net	\$780,850,933	\$696,342,027
Prepays and Accrued Income	\$5,304,222	\$3,402,751
Property & Equipment—Net	\$41,943,078	\$38,865,772
Other Assets	\$31,070,952	\$29,832,539
Total Assets	\$974,177,741	\$875,681,760

Financial & Statistical Report

Consolidated Statement of Financial Position

Liabilities	2023	2022
Payables & Accrued Expenses	\$140,750,318	\$93,918,974
Deposit Accounts	\$741,820,525	\$701,040,745
Total Liabilities	\$882,570,843	\$794,959,719
Member Equity	2023	2022
Regular Reserves	\$15,000,000	\$15,000,000
Undivided Earnings	\$76,522,952	\$65,638,094
Acquired Equity	\$83,947	\$83,947
Total Member Equity	\$91,606,899	\$80,722,041
Total Liabilities & Member Equity	\$974,177,741	\$875,681,760

Consolidated Statement of Earnings

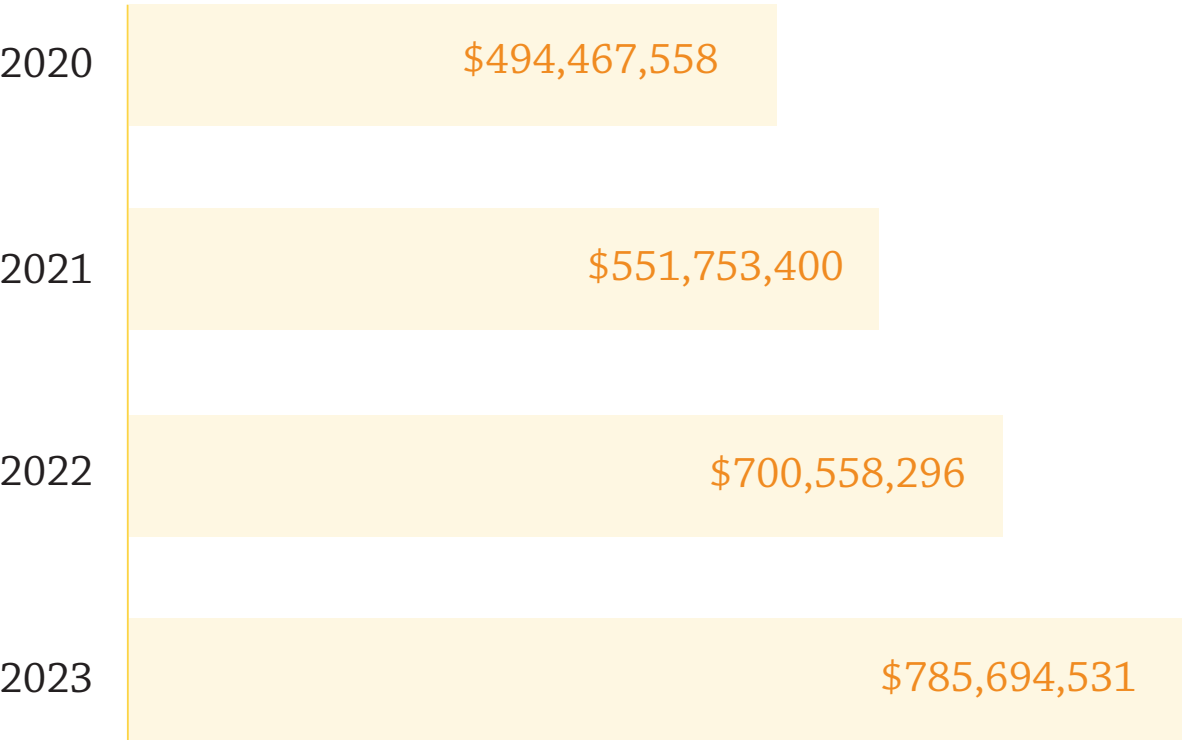
Earnings	2023	2022
Interest on Loans	\$50,428,276	\$33,426,137
Interest on Investments	\$4,936,080	\$660,340
Non-Interest Income	\$8,694,474	\$8,029,968
Total Earnings	\$64,058,830	\$42,116,445
Expenses	2023	2022
Dividends Paid to Members	\$16,995,136	\$5,893,816
Operating Expense	\$32,786,313	\$24,392,772
Provision for Loan Loss	\$3,392,524	\$1,250,000
Total Expenses	\$53,173,973	\$31,536,588
Net Income	\$10,884,858	\$10,579,857

Financial & Statistical Report

Statistics	2023	2022
Net Worth Ratio	9.40%	9.22%
Number of Members at Year End	36,943	35,707
Number of Loans Granted During Year	5,471	9,080
Amount Loaned to Members During Year	\$348,087,967	\$594,538,499
Delinquent Loans at Year End	\$1,574,464	\$1,034,060
Increase in Assets During Year	\$98,495,982	\$875,681,760
Increase in Savings During Year	\$40,779,780	\$105,816,271
Increase in Loans Outstanding During Year	\$85,136,055	\$148,804,896

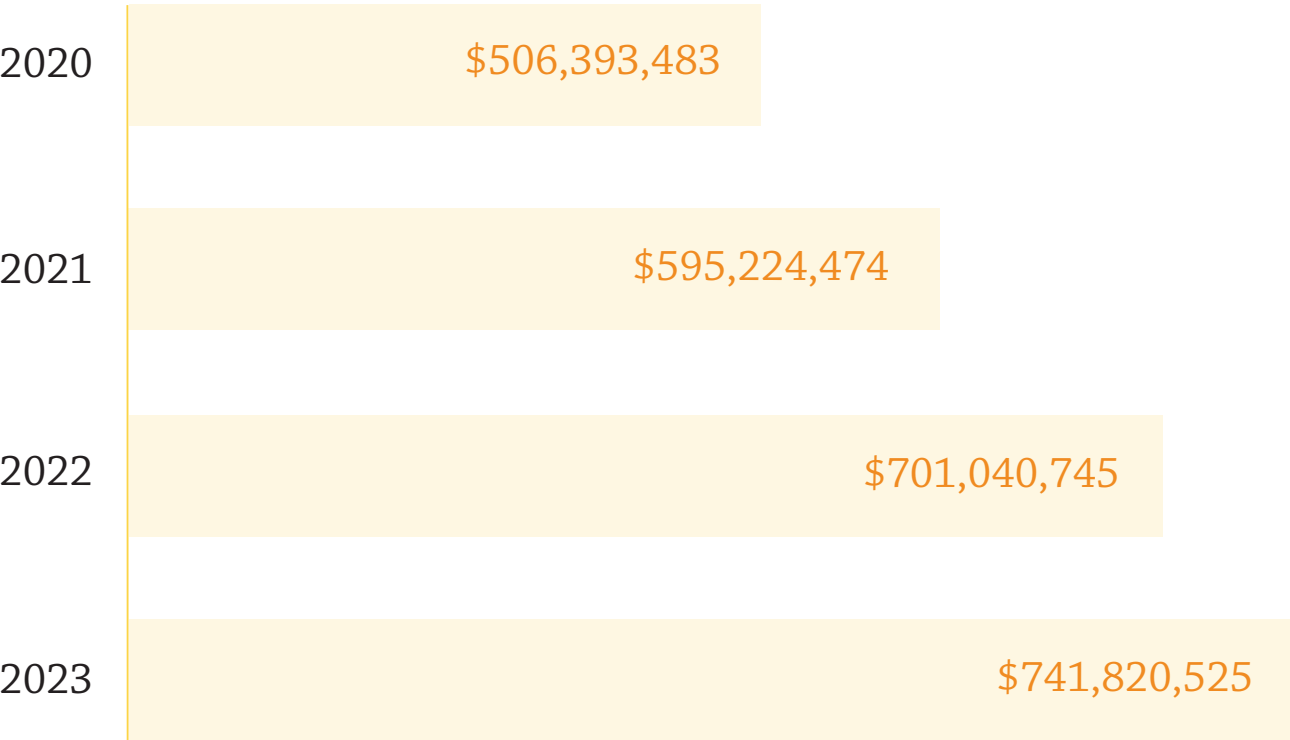
Financial & Statistical Report

Loans



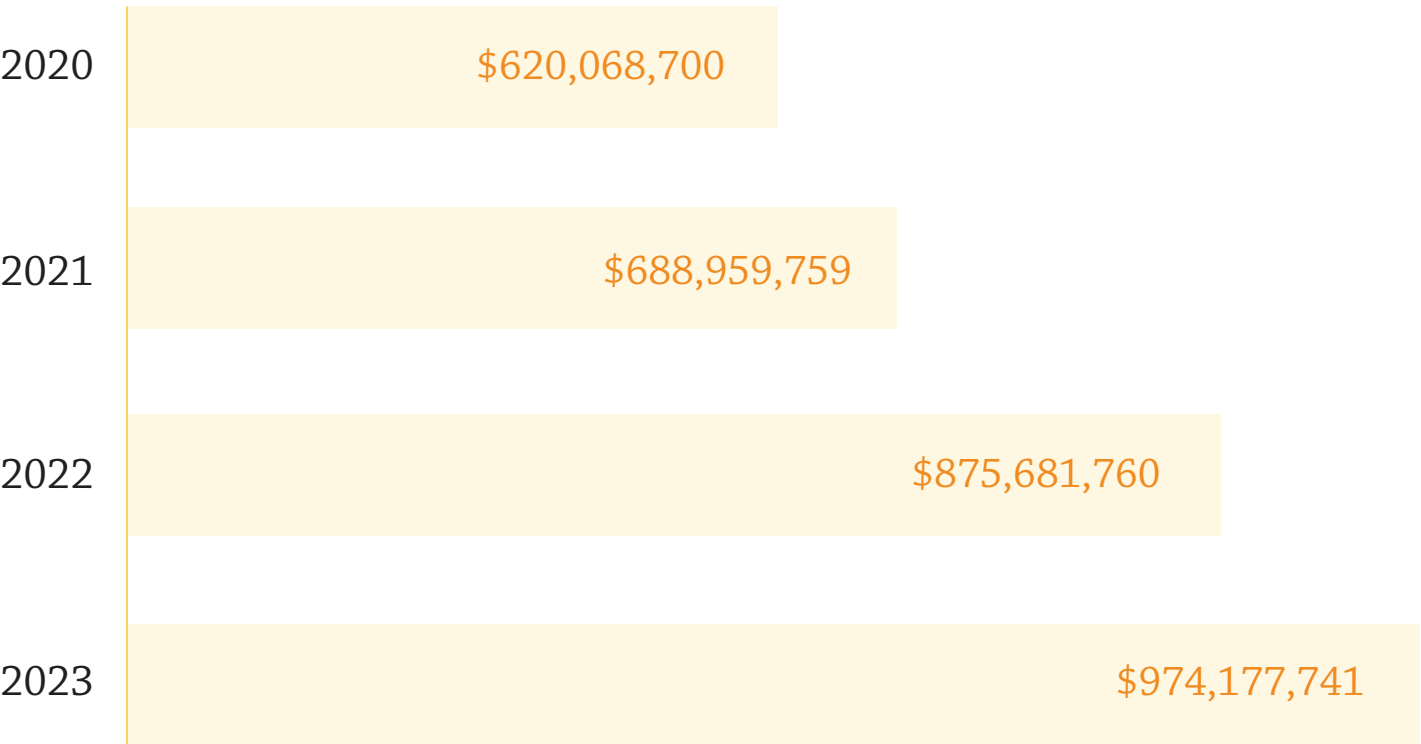
Financial & Statistical Report

Deposits



Financial & Statistical Report

Assets



Financial & Statistical Report

Net Worth



04

Annual Meeting Minutes

Annual Meeting Minutes

January 28, 2023 | Attendance: 99 (Virtually: 73 & In-Person: 26)

Welcome

At 5:00 p.m., David A. Pendleton, Chairman of the Board, noted a quorum was present and called the meeting to order. Chairman Pendleton acknowledged the hybrid meeting format of in-person and virtual access, he welcomed all those in attendance. Chairman Pendleton briefly explained the WebEx features and explained how members could participate in a motion, ask questions, and submit a dissenting vote. Chairman Pendleton introduced the Board of Directors, Supervisory Committee, and Executive Team.

Presentation of the 2022 Annual Meeting Minutes

Chairman Pendleton turned the time over to Mr. Brad Boyle, Secretary, for the reading of the minutes.

Mr. Paul Toller moved to dispense with the reading of the minutes, which was seconded by Mr. Steve Fifield. Motion carried.

Motion to approve the minutes from the previous Annual Meeting was made by Ms. Britney Jacquez, which was seconded by Mr. Al DeBarros. Motion carried.

Introduction of Candidates

Mr. Ted Boyer, Nominating Committee Chair, introduced the incumbent candidates for acknowledgment: Ms. Jennifer Sefakis and Ms. Hilea Walker.

Chairman Pendleton noted that there were two nominees for two open positions and asked for a motion to elect the candidates by acclamation.

Ms. Audrey Toller made the motion that the two nominees, Ms. Jennifer Sefakis and Ms. Hilea Walker, be elected by acclamation, which was seconded by Mr. Blaine Walker. Motion carried.

Report of the Supervisory Committee

Mr. Ted Cundick, Supervisory Committee Member, reported on the Supervisory Committee activities for the year.

Report of the President/CEO

Chairman Pendleton invited Mr. Darin B. Moody to give the report of the President.

Mr. Moody welcomed everyone to the Utah First Annual Meeting and expressed appreciation to the Board of Directors and Supervisory Committee who serve diligently for the benefit of all members. He also expressed appreciation to equally committed team members who live the mission of being significant in the lives of members.

Mr. Moody acknowledged that at Utah First, strength comes from our members and our people are our purpose. Establishing relationships that go beyond surface-level banking transactions is the motivation to strengthen our position as our members' financial partner.

Mr. Moody shared the growth in membership dating back to 1935. After 88 years in business, the membership has grown to 85,707; a net increase of 6,050 over the prior year.

Mr. Moody acknowledged the progress in technology from the days of the first-generation home banking in 1995 to the advanced digital banking of today allowing more than 7.6 million transactions in 2022, where just 235,588 of those transactions were completed in branches. Technology has changed the way we do business. Through technology, the opportunity to attend the annual meeting is now available for all members living in 50 states.

Mr. Moody reported that Utah First grew \$255 million in product balances during the year, consisting of \$148.8 million in loans and \$105.8 million in deposit balances. He reported that assets also grew rapidly, reaching \$876 million for a growth rate of 27%. 2022 was the seventh consecutive year that Utah First has experienced double-digit growth in each of those areas.

Mr. Moody was pleased to report that Utah First originated 9,080 loans during 2022 for a total of \$595 million. He reported that delinquent loans stand at \$1 million, which is just 0.15% of the total loan portfolio. Net loans charged-off during the year were \$1.2 million or 0.19%. He shared that both delinquency and charged-off loans are half of our peers.

Mr. Moody reported that we grew our net worth by \$10.6 million, reaching \$80.7 million in total reserves.

Mr. Moody remarked that over the past year, Utah First was named one of the top three financial institutions in the state for small businesses by City Weekly. We were recognized as one of the top 10 credit unions in the country by Raddon Financial Group for a record eighth consecutive year. He acknowledged the Utah First Cash for College

Scholarship program with 100 recipients during the year, helping to lighten the financial burdens placed on young students.

Mr. Moody concluded by sharing that Utah First's values remain unchanged, and the progression of the credit union has never been more certain. He shared that it is an exciting time to be a member and thanked members for their commitment and participation in Utah First.

Chairman Pendleton thanked everyone for their attendance and asked for a motion to adjourn.

Ms. Kelly Singleton moved to adjourn, which was seconded by Mr. Michael Wilde.

Chairman Pendleton declared the meeting adjourned.



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